

AM10

Notice of administrator's progress report



Companies House

FRIDAY



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A18 18/08/2017 #58

COMPANIES HOUSE

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A14 28/07/2017 #317

COMPANIES HOUSE

1 Company details

Company number 0 4 9 8 7 1 2 5

Company name in full A-B-A-C-U-S Franchising Company Limited

→ Filling in this form
Please complete in typescript or in
bold black capitals.

2 Administrator's name

Full forename(s) Gerald Maurice

Surname Krasner

3 Administrator's address

Building name/number 4th Floor

Street Cathedral Buildings

Post town Dean Street

County/Region Newcastle upon Tyne

Postcode N E 1 1 P G

Country

4 Administrator's name ^①

Full forename(s) Gillian Margaret

Surname Sayburn

① Other administrator
Use this section to tell us about
another administrator.

5 Administrator's address ^②

Building name/number 4th Floor

Street Cathedral Buildings

Post town Dean Street

County/Region Newcastle upon Tyne

Postcode N E 1 1 P G

Country

② Other administrator
Use this section to tell us about
another administrator.

AM10

Notice of administrator's progress report

6 Period of progress report

From date	^d 0	^d 2	^m 0	^m 3	^y 2	^y 0	^y 1	^y 6
To date	^d 2	^d 7	^m 0	^m 7	^y 2	^y 0	^y 1	^y 7

7 Progress report

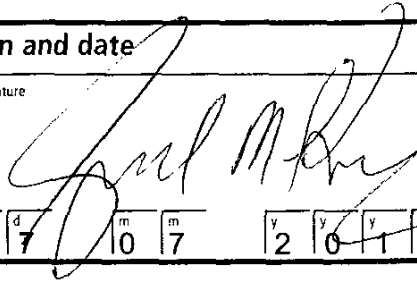
☒ I attach a copy of the progress report

8 Sign and date

Administrator's
signature

Signature

X



X

Signature date

^d 2	^d 7	^m 0	^m 7	^y 2	^y 0	^y 1	^y 7
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**Presenter information**

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name	Shaun Hudson
Company name	Begbies Traynor (Central) LLP
Address	4th Floor Cathedral Buildings
Post town	Dean Street
County/Region	Newcastle upon Tyne
Postcode	N E 1 1 P G
Country	
DX	
Telephone	0191 2699820

**Checklist**

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☐ The company name and number match the information held on the public Register.
- ☐ You have attached the required documents.
- ☐ You have signed the form.

**Important information**

All information on this form will appear on the public record.

**Where to send**

You may return this form to any Companies House address, however for expediency we advise you to return it to the address below:

The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ.
DX 33050 Cardiff.

**Further information**

For further information please see the guidance notes on the website at www.gov.uk/companieshouse or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.gov.uk/companieshouse

Gerald Maurice Krasner and Gillian Margaret Sayburn appointed
Joint Administrators on 2 September 2016

The affairs, business and property of the Company are being
managed by the Joint Administrators, who act as the Company's
agents and without personal liability

A-B-A-C-U-S Franchising Company Limited

(In Administration)

Final Progress Report of the Joint Administrators

Period: 2 March 2017 to 27 July 2017

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9. Administrators' remuneration and disbursements
10. Administrators' expenses
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2. Summary of Administrators' proposals
3. Administrators' time costs and disbursements
4. Statement of Administrators' expenses
5. Court Order

Important Notice

This final progress report has been produced by the Administrators solely to comply with their statutory duty to report to creditors on the progress of the Administration. The report is private and confidential and may not be relied upon, referred to, reproduced or quoted from, in whole or in part, by creditors for any purpose other than this report to them, or by any other person for any purpose whatsoever.

1. INTERPRETATION

<u>Expression</u>	<u>Meaning</u>
"the Company"	A-B-A-C-U-S Franchising Company Limited (In Administration)
"the Administration"	The appointment of Administrators under Schedule B1 to the Insolvency Act 1986 on 2 September 2016
"the Administrators", "we", "our", "us"	Gerald Maurice Krasner and Gillian Margaret Sayburn of Begbies Traynor (Central) LLP, 4th Floor, Cathedral Buildings, Dean Street, Newcastle upon Tyne, NE1 1PG
"the Act"	The Insolvency Act 1986 (as amended)
"the Rules"	The Insolvency (England and Wales) Rules 2016 (as amended)
"secured creditor" and "unsecured creditor"	"Secured creditor", in relation to a company, means a creditor of the Company who holds in respect of his debt a security over property of the Company, and "unsecured creditor" is to be read accordingly (Section 248(1)(a) of the Act)
"security"	(i) In relation to England and Wales, any mortgage, charge, lien or other security (Section 248(1)(b)(i) of the Act); and (ii) In relation to Scotland, any security (whether heritable or moveable), any floating charge and any right of lien or preference and any right of retention (other than a right of compensation or set off) (Section 248(1)(b)(ii) of the Act)
"preferential creditor"	Any creditor of the Company whose claim is preferential within Sections 386, 387 and Schedule 6 to the Act

2. STATUTORY INFORMATION

Name of Company:	A-B-A-C-U-S Franchising Company Limited
Trading name:	None
Date of Incorporation:	8 December 2003
Company registered number:	04987125
Company registered office:	3A Blue Sky Way, Monkton Business Park South, Hebburn, NE31 2EQ

3. DETAILS OF APPOINTMENT OF ADMINISTRATORS

Names of Administrators:	Gerald Maurice Krasner and Gillian Margaret Sayburn Licensed Insolvency Practitioners of Begbies Traynor (Central) LLP, 4th Floor, Cathedral Buildings, Dean Street, Newcastle upon Tyne, NE1 1PG
Date of appointment:	2 September 2016
Date of resignation:	None
Court:	High Court of Justice Chancery Division and Newcastle upon Tyne District Registry
Court Case Number:	0316 of 2016
Person making the application:	Stephen Jackson - Director
Acts of the Administrators:	The Administrators act as officers of the Court and as agents of the Company without personal liability. Any act required or authorised under any enactment to be done by an Administrator may be done by any one or more persons holding the office of Administrator from time to time.
EC Regulation on Insolvency Proceedings:	The EC Regulation on Insolvency Proceedings (Council Regulation (EC) No. 1346/2000) applies to these proceedings which are 'main proceedings' within the meaning of Article 3 of the Regulation.
Extensions of the Administration period:	There have been no extensions to the Administration period.

4. PROGRESS DURING THE PERIOD

Creditors will recall from our progress report dated 27 March 2017, due to the Director's ongoing illness the Administrators had been unable to take control of the trading of the business and had not been provided with sufficient information to market the business for sale. In light of these issues the Administrators have made the decision that the purpose of the Administration can not be achieved and as detailed in our letter to all creditors on 18 July 2017 we applied to Court to bring the Administration to an end.

The application was heard on 26 July 2017 and an order granted. The Administration will be brought to an end on a date 28 days following the filing of this final report. A copy of the order is at Appendix 5.

Receipts and Payments

Attached at Appendix 1 is our abstract of receipts and payments for the period from 2 March 2017 to 27 July 2017 and for the whole period of the Administration. Our comments relate to receipts and payments in this reporting period only.

RECEIPTS

Sales

The Director had deposited some funds with the Administrators in December 2016. As the Director had not passed any sales money to the Administrators since that date the funds in hand have been allocated to sales.

PAYMENTS

Legal Fees

Ward Hadaway LLP have been paid £1,500.00 for work done during the Administration and for assisting with the application to Court to bring the Administration to an end.

Legal Disbursements

Ward Hadaway LLP have been paid £155.00 in respect of legal disbursement being a Court Fee.

Storage Costs

£17.60 has been paid to Restore plc to store the Administrators' books and records.

Insurance Costs

Insurance was put in place and costs of £1,624.55 have been incurred. This is a category 2 disbursement as detailed in section 9.

Parking costs

Parking costs of £10.75 have been incurred for staff parking following meetings with the Director.

BTG Mileage

Mileage costs of £32.40 have been incurred travelling to the Company premises and the Director's home to hold meetings.

What work has been done in the period of this report, why was that work necessary and what has been the financial benefit (if any) to creditors?

Details of the types of work that generally fall into the headings mentioned below are available on our firm's website - <http://www.begbies-traynorgroup.com/work-details> Under the following headings we have explained the specific work that has been undertaken on this case. Not every piece of work has been described, but we have sought to give a proportionate overview which provides sufficient detail to allow creditors to understand what has been done, why it was necessary and what financial benefit (if any) the work has provided to creditors.

The costs incurred in relation to each heading are set out in the Time Costs Analysis which is attached at Appendix 3. There is an analysis for the period of the report and also an analysis of time spent on the case since the date of our appointment. The details below relate to the work undertaken in the period of the report only. Our previous report contains details of the work undertaken since our appointment.

General case administration and planning

A considerable amount of time has been spent discussing the strategy of this case, trying to meet with the Director and making decisions on whether the Administration could continue. We have maintained records to demonstrate how the case has been administered and to document the reasons for any decisions that affect the case. We have also carried out reviews of the case. There was no financial benefit to creditors.

Compliance with the Insolvency Act, Rules and best practice

We have prepared a progress report and circulated notification of the availability of the report to creditors. We have reviewed the Insolvency Practitioners' bonds and undertaken bank reconciliations. We have prepared a witness statement to be filed in Court with the application to bring the Administration to an end. We have started the closure procedure. There was no financial benefit to creditors.

Realisation of assets

Time has been spent trying to meet with the Director and get further information from the Director to progress the Administration. This has not happened.

Other matters which includes tax, litigation, pensions and travel

The Company was part of a VAT Group. Time has been spent with HM Revenue & Customs trying to get separate VAT returns for the Company so VAT can be accounted for.

5. OUTCOME FOR CREDITORS

Secured creditor

The Company has two secured creditors as follows:

National Westminster Bank plc holds a fixed and floating charge debenture over the assets of the Company. The charge was created on 8 December 2012 and delivered on 20 December 2012. The debt due to National Westminster Bank plc is £9,069.72.

Just Cash Flow plc holds a debenture containing a fixed and floating charge over the assets of the Company. The charge was created on 12 December 2014 and delivered on 15 December 2014. The debt due to Just Cash Flow is £48,000.00.

We understand that National Westminster Bank plc has priority.

There have been insufficient funds realised to make a distribution to the secured creditors.

Preferential creditors

There are no preferential creditors.

Prescribed Part for unsecured creditors pursuant to Section 176A of the Act

Details of the prescribed part were provided in our last report.

We have estimated, to the best of our knowledge and belief, the Company's net property, as defined in Section 176A(6) of the Act based on the Director's statement of affairs, to be £nil and the prescribed part of the Company's net property to be £nil.

Unsecured creditors

Claims of unsecured creditors were estimated at £221,230.28.

Loan creditors are estimated at £190,665.28 which relate to loans that the Company took out essentially to finance the closure of Abacus Call Centre Limited and to finance original costs.

All of these loans are personally guaranteed by the Director.

There are two claims from franchisees totalling £30,565.00.

In addition the Director took out some loans personally which he then lent to the Company. This amount has not yet been quantified.

There have been insufficient realisations to pay a dividend to unsecured creditors.

Ending the Administration

As the notice (Form AM25) accompanying this report confirms, the court has ordered that the Administration shall end on 28 days following the filing of this report which we believe will be 28 August 2017.

6. ADMINISTRATORS' PROPOSALS

Attached at Appendix 2 is a summary of our proposals as approved by the initial meeting of creditors held on 10 November 2016. There have been no modifications or deviations.

7. SUMMARY OF STEPS TAKEN DURING THE ADMINISTRATION

Following appointment the Administrators took the decision to allow the Company to continue trading. The Director was to assist in this process. Due to the Director's illness the Administrators found it very difficult to meet with the Director and to gain control over the trading of the business.

The Administrators continually arranged meetings which had to be cancelled. The Administrators tried to gather information to instruct agents to look to sell the business however this information was not provided. As the Administration progressed it became apparent that the number of franchisees in place was considerable lower than the Director had initially indicated. Therefore the viability of a sale being achieved was very doubtful. The projected income was also considerably less than initially advised. In light of this information, the lack of control over the Company and cooperation from the Director, the Administrators took the decision that the purpose of the Administration could not be achieved and an application was made to Court to bring the Administration to an end.

8. PRE-ADMINISTRATION COSTS

The following amounts in respect of unpaid pre-Administration costs were approved at the initial meeting of creditors held on 10 November 2016:

Description	Name of recipient	Net amount £	VAT £	Gross amount £
Our fees in relation to the Work	Begbies Traynor (Central) LLP	14,577.50	2,915.50	17,493.00
Legal costs Plus disbursements	Ward Hadaway LLP	10,879.00 1,755.00	2,175.80 300.00	13,054.80 2,055.00

Begbies Traynor (Central) LLP's costs remain outstanding. Ward Hadaway LLP have been paid £2,000.00 of which £1,445.00 is for fees and £550.00 for disbursements.

9. ADMINISTRATORS' REMUNERATION AND DISBURSEMENTS

Our remuneration has been fixed at the initial meeting of creditors held on 10 November 2016, by reference to the time properly given by us and the various grades of our staff calculated at the prevailing hourly charge out rates of Begbies Traynor (Central) LLP in attending to matters as set out in the fees estimate.

We are also authorised to draw disbursements for services provided by our firm and/or entities within the Begbies Traynor group, in accordance with our firm's policy, details of which

accompanied the statement of proposals for achieving the purpose of Administration and which are attached at Appendix 3 of this report.

Our original fees estimate was £40,706.43 which was agreed at a meeting of the creditors held on 10 November 2016.

Our time costs for the period from 2 March 2017 to 27 July 2017 amount to £8,673.50 which represents 36.80 hours at an average rate of £235.69 per hour.

Our time costs for the whole period of the Administration amount to £30,584.00 which represents 126.70 hours at an average rate of £241.39 per hour.

The following further information in relation to our time costs and disbursements is set out at Appendix 3:

- ☐ Time Costs Analysis for the period 2 March 2017 to 27 July 2017 and for the whole period of the Administration
- ☐ Begbies Traynor (Central) LLP's charging policy

To 27 July 2017, we have drawn the total sum of £4,482.27 on account of our remuneration, against total time costs of £30,584.00 incurred since the date of our appointment.

In the absence of there being sufficient realisations to discharge our time costs in full, our unbilled time costs of £26,101.73, have been written off as irrecoverable. However, we reserve the right to recover our unbilled time costs in the event that circumstances subsequently permit us to do so.

As can be seen from the information above, our estimate has not been exceeded. We are pleased to report that we do not anticipate that it is likely to be exceeded if matters progress to conclusion as envisaged.

Disbursements

To 27 July 2017, we have also drawn disbursements in the sum of £10.75 in respect of parking charges.

Category 2 Disbursements

Details of the Category 2 disbursements and also disbursements that should be treated as Category 2 disbursements that have been drawn during the period of this report in accordance with the approval obtained are set out below:

Other amounts paid or payable to the office holder's firm	
Type and purpose	Amount £
Mileage	27.00

Disbursements treated as Category 2 disbursements

Other amounts paid or payable to any party in which the office holder or his firm or any ass has an interest	
Type and purpose	Amount £
Eddisons Insurance Services Limited, which is a member of the Begbies Traynor group, has provided insurance brokerage services, having arranged open cover insurance in relation to the Company's assets.	1,624.55

A copy of 'A Creditors Guide to Administrators' Fees (E&W) 2015' which provides guidance on creditors' rights on how to approve and monitor an Administrator's remuneration and on how the remuneration is set can be obtained online at www.begbies-traynor.com/creditorsguides. Alternatively, if you require a hard copy of the Guide, please contact our office and we will arrange to send you a copy.

10. AMINISTRATORS' EXPENSES

A statement of the expenses incurred and discharged by us during the period of this progress report is attached at Appendix 4. A cumulative statement of expenses also appears at Appendix 4 which details the expenses incurred since the date of our appointment.

Creditors will recall that we estimated that the expenses of the Administration would total £35,127.80. That estimate has not been exceeded and we do not expect it to be exceeded if matters progress to conclusion as envisaged.

11. CREDITORS' RIGHTS

Right to request further information

Pursuant to Rule 18.9 of the Rules, within 21 days of the receipt of this report a secured creditor, or an unsecured creditor with the concurrence of at least 5% in value of the unsecured creditors including that creditor (or an unsecured creditor with less than 5% in value of the unsecured creditors, but with the permission of the Court) may request in writing that we provide further information about our remuneration or expenses (other than pre-Administration costs) which have been incurred during the period of this progress report.

Right to make an application to court

Pursuant to Rule 18.34 of the Rules, any secured creditor or an unsecured creditor with the concurrence of at least 10% in value of the unsecured creditors including that creditor, (or any unsecured creditors with less than 10% in value of the unsecured creditors, but with the permission of the Court) may within 8 weeks of receipt of this progress report make an application to Court on the grounds that the remuneration charged or the expenses incurred by us during the period of this progress report are excessive or, in relation to the basis fixed for our remuneration, inappropriate.

12. ASSETS THAT REMAIN TO BE REALISED

From the information provided by the Director we believe that there are franchisee fees due for the months of March 2017 to date in the sum of circa £30,000.00. There would be costs to deduct from these fees.

13. OTHER RELEVANT INFORMATION

Report on Director's conduct

As detailed in our statement of proposals, we have a duty to submit a report to the Department for Business, Energy and Industrial Strategy on the conduct of the Director. We have complied with our duties in this respect.

Investigations completed

As explained in our interim progress report we have been investigating the manner in which the business was conducted prior to the administration of the Company and potential recoveries for the estate in this respect. No further action was identified.

Connected party transactions

We are not aware of any sale of assets to connected parties.

14. CONCLUSION

As part of our application to Court we sought our discharge as Administrators. We will be released as Joint Administrators with effect from a date 28 days following the filing of this report. Which we believe will be 28 August 2017.

The Court order also provides that when the Administration comes to an end the Company will be placed into compulsory liquidation.



Gerald M Krasner
Joint Administrator

Date: 27 July 2017

ADMINISTRATORS' ACCOUNT OF RECEIPTS AND PAYMENTS

Period: 2 March 2017 to 27 July 2017 and for the whole period of the
Administration

**A-B-A-C-U-S Franchising Company Limited
(In Administration)
Joint Administrators' Trading Account**

Statement of Affairs £	From 02/03/2017 To 27/07/2017 £	From 02/09/2016 To 27/07/2017 £
POST APPOINTMENT SALES		
Sales	2,482.71	17,482.71
	<u>2,482.71</u>	<u>17,482.71</u>
TRADING EXPENDITURE		
Consultancy	NIL	6,000.00
Rent	NIL	1,851.66
Office Costs	NIL	440.00
Telephone	NIL	514.85
Postages	NIL	210.00
Storage	NIL	755.52
Pension Contributions	NIL	479.20
Data Map	NIL	NIL
IT Costs	NIL	2,169.71
	<u>NIL</u>	<u>(12,420.94)</u>
TRADING SURPLUS/(DEFICIT)	<u>2,482.71</u>	<u>5,061.77</u>

A-B-A-C-U-S Franchising Company Limited
(In Administration)
Joint Administrators' Summary of Receipts & Payments

Statement of Affairs		From 02/03/2017 To 27/07/2017	From 02/09/2016 To 27/07/2017
£		£	£
	SECURED ASSETS		
Uncertain	Goodwill	NIL	NIL
		NIL	NIL
	SECURED CREDITORS		
(9,069.72)	National Westminster Bank plc	NIL	NIL
(48,000.00)	Just Cash Flow plc	NIL	NIL
		NIL	NIL
	ASSET REALISATIONS		
	Contribution from the Director	NIL	NIL
	Cash at Bank	NIL	5,000.00
	Trading Surplus/(Deficit)	2,482.71	5,061.77
		2,482.71	10,061.77
	COST OF REALISATIONS		
	Insolvency Practitioners' Bond	NIL	70.00
	Administrators' Fees	4,482.27	4,482.27
	Mileage	27.00	32.40
	Parking	4.75	10.75
	Legal Fees	1,500.00	2,945.00
	Legal Disbursements	155.00	710.00
	Storage Costs	17.60	17.60
	Statutory Advertising	NIL	169.20
	Insurance	1,624.55	1,624.55
		NIL	NIL
		NIL	NIL
		(7,811.17)	(10,061.77)
	UNSECURED CREDITORS		
(221,229.28)	Trade Creditors	NIL	NIL
(1.00)	Director's Loan	NIL	NIL
		NIL	NIL
	DISTRIBUTIONS		
(9,998.00)	Ordinary Shareholders	NIL	NIL
		NIL	NIL
(288,298.00)		(5,328.46)	(0.00)
	REPRESENTED BY		
	Vat Receivable		2,663.75
	Bank 2 Current		832.79
	Vat Payable		(3,496.54)
			NIL

Gerald Maurice Krasner
Joint Administrator

SUMMARY OF ADMINISTRATORS' PROPOSALS

Proposals approved at the initial creditors' meeting

- 1) The business continues to trade under the supervision of the Administrators with the Director providing the required support to the franchisees to retain the value in the business.
- 2) *A third party be engaged to seek a purchaser for the business.*
- 3) The Company shall remain in Administration for such period as the Administrators deem necessary and appropriate.
- 4) In the event that the Joint Administrators are of the view that it is appropriate for the Company to move from Administration into Company Voluntary Arrangement ("CVA"), the Joint Administrators be authorised to take steps to place the Company into CVA as detailed in the 'Exit from Administration' section in the main body of the report.
- 5) In the event that the Joint Administrators are of the view that it is appropriate for the Company to move from Administration into Liquidation, the Joint Administrators be authorised to take steps to place the Company into Creditors' Voluntary Liquidation as detailed in the 'Exit from Administration' section in the main body of the report.
- 6) In the event that the Company moves to Liquidation the Joint Administrators be appointed as Joint Liquidators.
- 7) If the Joint Administrators consider that there will be no distribution to unsecured creditors, and if they also consider that an exit from Administration into Liquidation is not appropriate, then the Joint Administrators be authorised to take the necessary procedural steps to bring about the end of the Administration and move the Company into Dissolution pursuant to Paragraph 84 of Schedule B1 of the Act. For more details of this procedure, please refer to the 'Exit from Administration' section in the main body of the report.
- 8) Upon the Company either proceeding into Liquidation, Dissolution or CVA as set out above, the Joint Administrators shall instruct solicitors to make an application to Court for their discharge from liability, pursuant to Paragraph 98 of Schedule B1.
- 9) The pre-Administration costs are unpaid and we are seeking that they be paid as an expense of the Administration. Pursuant to Rule 2.67A of the Rules, approval to discharge such costs ("the unpaid pre-Administration costs") as an expense is required from the creditors' committee, or in the absence of a committee, or if the committee does not make a determination, by way of a resolution of creditors.
- 10) We propose that the basis of our remuneration be fixed under Rule 2.106 of the Rules by reference to the time properly given by us and the various grades of our staff calculated at the prevailing hourly charge out rates of Begbies Traynor (Central) LLP for attending to matters as set out in the fees estimate.

It is for the creditors' committee to approve the basis of our remuneration under Rule 2.106 of the Rules, but if no such committee is appointed it will be for the creditors to determine.
- 11) We propose that we be authorised to draw disbursements for services provided by our firm and/or entities within the Begbies Traynor group, in accordance with their firm's policy, details of which are set out at Appendix 3.

- 12) The Joint Administrators shall have authority to sanction and agree the fees of any solicitors, quantity surveyors or similar agents by reference to the time given by such agents and their staff, in attending to matters arising in the Administration.
- 13) Without prejudice to the provisions of Section 14 of the Insolvency Act 1986, the Joint Administrators may carry out all other acts that they may consider to be incidental to the Proposals above in order to assist in their achievement of the stated purposes of the Administration order or any variation thereto.
- 14) If necessary, the Joint Administrators shall have the authority to apply to Court for an extension of the duration of the Administration (in accordance with the provisions of Schedule B1 Paragraph 76(2) of the Insolvency Act 1986).

ADMINISTRATORS' TIME COSTS AND DISBURSEMENTS

- a. Begbies Traynor (Central) LLP's charging policy;
- b. Time Costs Analysis for the period from 2 March 2017 to 27 July 2017 and for the whole period of the Administration.

BEGBIES TRAYNOR CHARGING POLICY

INTRODUCTION

This note applies where a licensed insolvency practitioner in the firm is acting as an office holder of an insolvent estate and seeks creditor approval to draw remuneration on the basis of the time properly spent in dealing with the case. It also applies where further information is to be provided to creditors regarding the office holder's fees following the passing of a resolution for the office holder to be remunerated on a time cost basis. Best practice guidance¹ requires that such information should be disclosed to those who are responsible for approving remuneration.

In addition, this note applies where creditor approval is sought to make a separate charge by way of expenses or disbursements to recover the cost of facilities provided by the firm. It also applies where payments are to be made to parties other than the firm, but in relation to which the office holder, the firm or any associate has an interest. Best practice guidance² indicates that such charges should be disclosed to those who are responsible for approving the office holder's remuneration, together with an explanation of how those charges are calculated.

OFFICE HOLDER'S FEES IN RESPECT OF THE ADMINISTRATION OF INSOLVENT ESTATES

The office holder has overall responsibility for the administration of the estate. He/she will delegate tasks to members of staff. Such delegation assists the office holder as it allows him/her to deal with the more complex aspects of the case and ensures that work is being carried out at the appropriate level. There are various levels of staff that are employed by the office holder and these appear below.

The firm operates a time recording system which allows staff working on the case along with the office holder to allocate their time to the case. The time is recorded at the individual's hourly rate in force at that time which is detailed below.

EXPENSES INCURRED BY OFFICE HOLDERS IN RESPECT OF THE ADMINISTRATION OF INSOLVENT ESTATES

Best practice guidance classifies expenses into two broad categories:

- *Category 1 disbursements (approval not required)* - specific expenditure that is directly related to the case and referable to an independent external supplier's invoice. All such items are charged to the case as they are incurred.
- *Category 2 disbursements (approval required)* - items of expenditure that are directly related to the case which include an element of shared or allocated cost and are based on a reasonable method of calculation, but which are not payable to an independent third party.

(A) The following items of expenditure are charged to the case (subject to approval):

- Car mileage is charged at the rate of 45 pence per mile;

Expenses which should be treated as Category 2 disbursements (approval required) – in addition to the two categories referred to above, best practice guidance indicates that where payments are to be made to outside parties in which the office holder or his firm or any associate has an interest, these should be treated as Category 2 disbursements.

¹ Statement of Insolvency Practice 9 (SIP 9) – Remuneration of insolvency office holders in England & Wales

² Ibid 1

Services provided by other entities within the Begbies Traynor group

The following items of expenditure which relate to services provided by an entity within the Begbies Traynor group, of which the office holder's firm is a member, are also to be charged to the case (subject to approval):

Instruction of Eddisons Insurance Services Limited to provide insurance broking services and specifically open cover insurance for the insurable risks relating to the case. The cost of open cover insurance will vary during the course of the case depending upon the value of the assets and liability risks. The estimated cost of insurance for the 12 month period following appointment is £500 inclusive of Insurance Premium Tax. The costs of insurance cover will be dependent upon prevailing insurance market conditions and the ongoing insurable risks on the case. Eddisons Insurance Services Limited is not paid from the assets of the estate for the services it provides. In accordance with standard insurance industry practice, Eddisons Insurance Services Limited will receive payment of commission for the services it provides directly from the open cover insurer. The commission is calculated as a percentage of the insurance premiums payable and such percentage will depend upon the class or classes of assets being insured.

(B) The following items of expenditure will normally be treated as general office overheads and will not be charged to the case although a charge may be made where the precise cost to the case can be determined because the item satisfies the test of a *Category 1 disbursement*:

- Telephone and facsimile
- Printing and photocopying
- Stationery

BEGBIES TRAYNOR CHARGE-OUT RATES

Begbies Traynor is a national firm. The rates charged by the various grades of staff that may work on a case are set nationally, but vary to suit local market conditions. The rates applying to the Newcastle upon Tyne office as at the date of this report are as follows:

Grade of staff	Charge-out rate (£ per hour) 1 May 2011 – until further notice
Partner	395
Director	345
Senior Manager	310
Manager	265
Assistant Manager	205
Senior Administrator	175
Administrator	135
Trainee Administrator	110
Support	60 -110

Time spent by support staff such as secretarial, administrative and cashiering staff is charged directly to cases. It is not carried as an overhead.

Time is recorded in 6 minute units.

Staff Grade	Consultant/Partner	Director	Sr Mngr	Trng	Asst Mngr	Sr Admin	Admin	Jr Admin	Support	Total Hours	Time Cost £	Average hourly rate £
General Case Administration and Planning	8.5	18.7			0.2	13.6	5.6	1.3	1.7	37.9	9,587.50	252.97
Administration					0.2					0.2	50.00	250.00
Total for General Case Administration and Planning	8.5	18.7			0.2	13.6	5.6	1.3	1.7	37.9	9,587.50	252.97
Compliance with the Insolvency Act, Rules and best practice												
Appointment												
Banking and Bonding												
Case Closure												
Statutory reporting and statement of affairs												
Total for Compliance with the Insolvency Act, Rules and best practice	2.8	22.9				5.5	1.8		9.4	15.7	2,091.50	133.22
Investigations												
CCDA and investigations												
Total for Investigations	1.1	1.1										
Realisation of assets												
Debt collection												
Property, business and asset sales												
Retention of title/Third party assets												
Total for Realisation of assets	2.9	2.9			0.5	8.7	1.5			13.6	2,828.00	207.94
Trading												
Trading												
Total for Trading	4.3	4.3			0.5	8.7	1.5			13.6	2,828.00	207.94
Dealing with all creditors claims (including employees), correspondence and distributions												
Secured												
Unsecured												
Others												
Creditors committees												
Total for Dealing with all creditors claims (including employees), correspondence and distributions	0.8	0.8								0.8	30.00	395.00
Other matters which includes meetings, tax, litigation, pensions and travel												
Seeing decisions of creditors including meetings												
Other												
Tax												
Litigation												
Total for Other matters	0.8	0.8								0.8	30.00	395.00
Total hours by staff grade	10.1	48.9			0.7	33.2	15.9	5.3	11.8	126.7	6,668.00	248.33
Total time cost by staff grade	3,989.50	17,215.50			143.50	5,810.00	2,146.50	533.00	846.00		30,364.00	
Average hourly rate £	395.00	345.00		0.00	205.00	175.00	135.00	110.00	60.00			241.39
Total fees drawn to date £											4,482.27	

Staff Grade	Case planning	Consutant/Partner	Director	Sr Mngt	Mngt	Asst Mngt	Sr Admin	Admin	Jr Admin	Support	Total Hours	Time Cost £	Average hourly rate £
General Case Administration and Planning	Case planning		6.1				9.1				15.2	3,697.00	243.22
	Administration	3.9							0.3		4.8	1,815.50	320.69
	Total for General Case Administration and Planning:	3.9	6.1				9.1		0.3		20.1	5,312.50	264.30
Compliance with the Insolvency Act, Rules and best practice	Appointment												
	Banking and Bonding		0.4										
	Case Closure		0.7										
	Statutory reporting and statement of affairs		1.0				5.5				3.9	345.00	88.23
	Total for Compliance with the Insolvency Act, Rules and best practice:	2.2	2.1				5.5				8.7	2,176.50	250.17
Investigations	GDAs and Investigations						6.8				13.3	2,764.00	207.87
	Total for Investigations:												0.00
Realisation of assets	Debt collection												0.00
	Property, business and asset sales						2.3				2.3	402.50	175.00
	Retention of Third/Third party assets												0.00
	Total for Realisation of assets:						2.3				2.3	402.50	175.00
Trading	Trading												0.00
	Total for Trading:												0.00
Dealing with all creditors claims (including employees), correspondence and distributions	Secured												0.00
	Others												0.00
	Creditors committee												0.00
	Total for Dealing with all creditors claims (including employees), correspondence and distributions:												0.00
Other matters which includes meetings, tax, litigation, pensions and travel	Seeking decisions of creditors including meetings												0.00
	Other												0.00
	Tax						1.1				1.1	192.50	175.00
	Litigation												0.00
	Total for Other matters:						1.1				1.1	192.50	175.00
	Total hours by staff grade:	6.1	8.2				18.0		0.3		36.8	8,673.50	
	Total time cost by staff grade:	2,499.50	2,929.00				5,150.00		33.00		252.00	8,673.50	
	Average hourly rate £:	395.00	346.00	0.00	0.00	0.00	175.00	0.00	110.00	60.00			235.89
	Total fees drawn to date £:											4,482.27	

APPENDIX 4

STATEMENT OF ADMINISTRATORS' EXPENSES FOR THE PERIOD

Type of expense	Name of party with whom expense incurred	Amount incurred £	Amount discharged £	Balance (to be discharged) £
Expenses incurred with entities not within the Begbies Traynor Group				
Legal fees	Ward Hadaway LLP	1,500.00	1,500.00	0.00
Legal disbursements	Ward Hadaway LLP	155.00	155.00	0.00
Storage Costs	Restore plc	17.60	17.60	0.00
Expenses incurred with entities within the Begbies Traynor Group (for further details see Begbies Traynor Charging Policy)				
Insurance	Eddisons Commercial Limited	1,624.55	1,624.55	0.00
Parking Costs	Begbies Traynor (Central) LLP	4.75	4.75	0.00
Mileage Costs	Begbies Traynor (Central) LLP	27.00	27.00	0.00

CUMULATIVE STATEMENT OF ADMINISTRATORS' EXPENSES

Type of expense	Name of party with whom expense incurred	Amount incurred £
Insolvency Practitioners' Bond	Marsh Ltd	70.00
Mileage	Begbies Traynor (Central) LLP	32.40
Parking	Begbies Traynor (Central) LLP	10.75
Legal Fees	Ward Hadaway LLP	2,945.00

Legal Disbursements	Ward Hadaway LLP	710.00
Storage Costs	Restore plc	17.60
Statutory Advertising	Courts Advertising Ltd	169.20
Insurance	Eddisons Commercial Limited	1,624.55

IN THE HIGH COURT OF JUSTICE

NO 0316 of 2016

CHANCERY DIVISION

NEWCASTLE UPON TYNE DISTRICT REGISTRY

IN THE MATTER OF A-B-A-C-U-S FRANCHISING COMPANY LIMITED (IN
ADMINISTRATION)

AND IN THE MATTER OF THE INSOLVENCY ACT 1986

GERALD MAURICE KRASNER AND GILLIAN MARGARET SAYBURN
(as Joint Administrators of A-B-A-C-U-S Franchising Company Limited)

APPLICANTS

ORDER

BEFORE Vice Chancellor Mr Justice Barling

UPON Reading the application of Gerald Maurice Krasner and Gillian Margaret Sayburn

IT IS ORDERED THAT:

1. pursuant to paragraphs 79 and 85 of Schedule B1 of the Insolvency Act 1986 and with effect from a date 28 days following the filing of the final report of the administrators:-

- 1.1 the Administration of A-B-A-C-U-S Franchising Company Limited ("the Company") be brought to an end;

- 1.2 The Administration Order in respect of the Company dated the 2nd September 2016 be discharged; and
 - 1.3 the appointment of the Applicants as the Joint Administrators of the Company be brought to an end;
2. Pursuant to paragraph 98(2)(c) of Schedule B1 the Applicants have their release as Joint Administrators of the Company with effect from a date 28 days following the filing of the final report of the administrators;
3. That the Company be compulsorily wound up pursuant to the provisions of the Insolvency Act 1986 with effect from the date referred to in paragraph 2 of this Order; and
4. The costs of this Application be an expense of the Administration of the Company.

Dated this 26th day of July 2017